



May 15, 2014

To: Keith Wallace, DWR

From: Elaine Berghausen

Subject: Comments on IRWMP Drought Grants

On behalf of our client, the Hi-Desert Water District, we would like to submit the following comments on the draft PSP for Drought Grants using Proposition 84 IRWMP funding:

1. DWR should, at a minimum, include additional points for projects benefiting disadvantaged communities. Appropriations of prior IRWMP implementation funds mandated 10% of the funds be awarded to benefit disadvantaged communities. While the appropriation for the drought grants does not include this requirement, we urge DWR to give additional points for projects that benefit disadvantaged communities. The prior legislative set aside of 10% was necessary to ensure that a minimal amount of funding benefitted disadvantaged communities, apparently based on a widely held concern that these communities had not benefitted from prior grant programs.

Chapter 830, Stats. 2012 requires 25% of the available moneys in the Greenhouse Gas Reduction Fund be used for projects that provide benefits to disadvantaged communities, AND to allocate a minimum of 10% to projects located within disadvantaged communities. Multiple pending pieces of legislation for water bonds include language emphasizing allocations for disadvantaged communities. With such a strong push to ensure disadvantaged communities get some funding in all these other areas, it seems imprudent and poor public policy to ignore disadvantaged communities in the drought grant program.

2. Instead of the proposed 30 days, DWR should provide applicants 60 days to prepare the application, to ensure DWR receives as complete and accurate a document as possible. This is most important for IRWMPs that are in competitive funding areas and particularly for those few IRWMPs that cross funding areas and whose submission must compete with many more IRWMP applicants. Also, disadvantaged communities would benefit from the additional time to prepare the required material.
3. DWR should establish a limit on the total funds awarded in any competitive funding area. Funding areas with a single IRWMP have the ability to determine how much of their remaining allocation they would like to devote to drought grants through their application. IRWMPs in competitive funding areas do not have that ability, so we request DWR set a limit of not more than 40% of the remaining allocation in any competitive funding area to ensure some funding out of the remaining \$250 million IRWMP funds will be available in the final round of implementation grants. 40% represents approximately the amount of funding DWR has available to award statewide for drought grants as a percentage of the total remaining \$450 million IRWMP implementation funding.

4. DWR should release draft awards and provide a 30-day comment period to allow applicants to appeal their scores. Since DWR will not be providing a narrative explaining how the evaluation and resulting scores were determined, the 30 day comment period is the only opportunity for applicants to query DWR about the score, bring potential errors to DWR's attention and remedy any misunderstanding.
5. DWR should award additional points for projects that also address an identified public health and safety concern as confirmed by DPH, the SWRCB or a regional water quality control board. Rather than creating a "silo" with the drought grants, we urge DWR to award additional points for a project that meets all the drought program requirements, and also resolves an identified public health and safety concern identified by a State regulatory agency, thus leveraging water supply with water quality and public health.
6. DWR should change the requirement that projects have construction bids in hand as the criteria for "ready to proceed" to construction/implementation. Here again, disadvantaged communities do not have the financial wherewithal to advance funds or accelerate activities through internal borrowing which may be required to meet this type of deadline. This requirement by itself may cause some valuable projects to be eliminated from the application that would otherwise be included and considered for funding.

Thank you for the opportunity to provide comments on the draft PSP for Drought Grants using Proposition 84 IRWMP funding.

Should you have any questions, feel free to contact me at (916) 397-3114 or at elaine@ctechadvocates.com

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